

CITY OF MOUNTAIN VIEW MEMORANDUM

DATE: April 24, 2003

TO: City Council

FROM: Kevin C. Duggan, City Manager
Cathy R. Lazarus, Public Works Director
Timothy Ko, Assistant Public Works Director

SUBJECT: APRIL 29, 2003 STUDY SESSION—FIVE-YEAR CAPITAL
IMPROVEMENT PROGRAM (2003-04 THROUGH 2007-08)

PURPOSE

The purpose of this study session is to:

- Overview the Capital Improvement Program (CIP) process and funding.
- Review major projects.
- Overview the proposed 2003-08 CIP.
- Confirm City Council priorities.
- Obtain comments and questions on the proposed plan.
- Identify additional information needed before the CIP is adopted.

INTRODUCTION

The proposed 2003-08 Capital Improvement Program (CIP) is significantly constrained by the continuing decline in discretionary (General) funds. Limited funds were a factor in last year's capital plan, and many important projects were deferred. Greater challenges exist this year.

The good news is the plan fully funds the annual-planned infrastructure maintenance projects to preserve the City's investment in facilities and infrastructure. Consistent with City Council priorities, continued capital investment in infrastructure maintenance is especially important in periods of fiscal retrenchment to offset the effect of reductions in day-to-day maintenance activities. The Street Lane Line and Legend Repainting project is the one exception to full funding because staff wants to determine if arterial street lines can be repainted once per year instead of semiannually without significant degradation. All pedestrian crosswalks, legends and markings and residential street lane lines will continue to be painted annually.

Many planned projects in the outer years of the five-year program that would typically "roll forward" are proposed for deferral because of capital funding constraints and concern about our ability to fund associated ongoing operation and maintenance costs. Some projects are also moved out of the five-year program to the "unscheduled list" until the City's longer-term financial condition is clarified. Major deleted, deferred, unscheduled, amended and new projects include:

Deleted Projects

- Project 04-28, City Bicycle Transportation Plan (\$75,000)—The draft plan was developed by staff instead of consultants. The draft plan is being reviewed by the Bicycle/Pedestrian Advisory Committee and will be forwarded to the Council Transportation Committee and City Council for review and adoption next fall.

Deferred Projects

- Project 05-18, Information Services Computer Projects (\$300,000)—This planned project included replacement of the computer-aided design (CAD/RMS) system, utility billing system and other Information Services automation projects. These projects are desirable, but not essential, to address health, safety or regulatory compliance issues and are deferred for a second time to 2004-05. The budget for this project has been reduced from \$550,000 to \$300,000 to reflect a reduced work scope.
- Project 05-19, Sierra Vista Park Design (\$125,000)—Although there is \$99,230 in Park Land In-Lieu fees designated for this project, no funding for construction or ongoing maintenance has been identified. This project is again deferred one year to 2004-05.

- Project 05-25, Biannual Park Renovations/Improvements (\$200,000)—This project funds replacements and upgrades to existing park and landscaping systems. Any safety-related work in 2003-04 will be accomplished with in-house staff. Other work will be deferred one year to 2004-05.
- Project 05-29, Landels Trail/Pathway Reconstruction (\$100,000)—This project involves widening and improving the pathway access from the Stevens Creek trail head at Landels School parking lot to the trail next to the creek. This project is being deferred one year to 2004-05 as it is desirable but not essential.

Unscheduled Projects

- Project 00-16, Community Center Construction (\$15,500,000)—With the recent City Council decision to proceed with design and construction of the Senior Center before the Community Center, this project moves to the unscheduled list.
- Project 04-26, CPA SecondStage Support Space Addition, Design (\$200,000)—This project was to design expansions to the dressing rooms, rest rooms and the green room as well as a buffer between SecondStage and ParkStage so both facilities could be used simultaneously. This project is desirable, but not essential. Because of funding constraints, this project is moved to the unscheduled list.
- Project 04-30, Light Rail Trail Lighting, Pacific Drive to MOC (\$221,000)—Planned TOD funding for this Whisman Area project has not materialized. The project can be reactivated when TOD funding becomes available.
- Project US-29, Bicycle Park—This project includes the development of a 1.0- to 1.25-acre bike park at the Crittenden Overflow Basin. On January 28, 2003, the City Council approved development of the project at the Crittenden Overflow Basin and conceptually approved funding pending future budget adoption. Because of budget constraints and concerns about ongoing operation and maintenance, this project is proposed for the unscheduled list. A very preliminary project cost estimate is \$45,000, with annual operating costs currently estimated at \$3,000.

Amendments to Existing Projects

The proposed 2003-04 CIP includes amendments to several existing projects:

- An increase of \$1,500,000 in the Miramonte Reservoir construction budget is proposed in the 2003-04 CIP to incorporate mitigation measures identified in the

Environmental Impact Report (EIR) and adjust for inflation. Three recently completed water system improvement projects (97-04, 99-04 and 01-24) have remaining balances totaling \$924,000 and will help offset the reservoir budget increase.

- The proposed CIP also amends and assigns a new project number (04-28) to the Senior Center project. An estimated \$2.5 million is required to fully fund the project through construction. This plan programs additional funding of \$1,500,000 for the new Senior Center construction next year (2003-04). As the new Senior Center design progresses next fiscal year, construction estimates will be refined with the remaining funding (\$1,000,000) allocated in the 2004-05 CIP for construction later that year.
- In recent Capital Improvement Programs, the City Council established a multi-year program to correct playground safety and accessibility deficiencies at twenty (20) playgrounds needing corrective work. Improvements to 4 of these 20 playgrounds are now complete, using approximately \$534,000 of the \$674,000 allocated for the first three phases of improvements. The proposed CIP includes Phase IV of the ADA Playground Improvements in Year 1 (2003-04) in the amount of \$140,000. This project includes \$115,000 to complete improvements at Rex Manor Park and \$25,000 to supplement the remaining balance from Phases I through III to complete improvements at San Veron Park. The remaining play areas will be corrected as funds permit.
- Additional funding of \$150,000 is recommended from the Shoreline Community Fund to complete the environmental review phase of Stevens Creek Trail, Reach 4, Segment 2, Project 99-58. Extensive comments from permitting agencies and the community regarding preservation of steelhead habitat and riparian vegetation require additional design and engineering work before the environmental consultant can prepare the final Environmental Impact Report (see Appendix 7).
- The Proposed CIP returns \$150,000 from El Camino Real Landscaping, Phase III, Project 02-26, to the Capital Improvement Reserve Fund.

New Projects

Despite the constraints in discretionary funding, one new project is considered a priority and should proceed next fiscal year.

- Project 04-34, Traffic Signal Battery Backup—This project is proposed for 2003-04 because of a grant funding opportunity and because it will reduce demand on maintenance and Police Department staff resources to set up and retrieve temporary traffic control during and after power outages at signalized intersections. The battery backup units will power traffic signals to maintain normal operation for up to two hours and then convert to "flash" mode for another four hours during power outages. This project proposes to purchase and install battery backup units for 40 of the City's 59 traffic signals that do not currently have the units (7 signals already have battery backup). The remaining 14 traffic signals are in a lower tier for the battery backup because they serve lower traffic volumes. The total project cost is estimated at \$316,000. Grant funding will cover about \$106,000 (33 percent), and the balance will be funded from Shoreline Community Fund, Gas Tax and Construction/Real Property Conveyance Fund. Additional information regarding this project is included in Appendix 9.

Shoreline Community

The adopted 2002-07 CIP established, for the first time, a long-term blueprint for Shoreline Community capital needs. This year, the Shoreline Community will be the focal point for many of the proposed capital initiatives. New projects are proposed to address emerging environmental conditions, and projects that were postponed in past years due to workload considerations will be accelerated. Major projects are listed below and described in greater detail later in this report:

- Project 04-27, Shoreline Maintenance Facility Construction (\$4,500,000).
- Project 04-17, Shoreline Infrastructure Maintenance (\$100,000).
- Project 04-18, Shoreline Sailing Lake Water Supply Alternatives, Design, Environmental, Permitting (\$500,000).
- Project 04-19, Shoreline Community, Reclaimed Water Feasibility Study (\$200,000).
- Project 03-30, Golf Car/Pro Shop Facility, Design and Construction (\$3,400,000).

- Project 04-30, Shoreline Golf Course Renovations (\$220,000).
- Project 04-21, Permanente Creek Pedestrian/Bicycle Overcrossing of U.S. 101 Feasibility Study (\$150,000).
- Project 04-38, Shoreline Boulevard Reconstruction, Gatehouse to Golf Course Parking Entrance (\$2,000,000).

BACKGROUND AND ANALYSIS

CIP Funding Assumptions

Funding sources for capital improvement projects range from restricted funds that can finance only specific types of projects (Water, Sewer and Solid Waste Funds, Shoreline Community Fund, recreation in-lieu fees and gas tax) and unrestricted funds that can be used on any type of project (Capital Improvement Reserve and Construction/Real Property Conveyance Tax).

The amount of unrestricted funds available for projects in the first year of the proposed five-year CIP is approximately \$8.9 million, down about \$2.3 million (22 percent) from \$10.3 million available last year (2002-03) and down about \$8.0 million (47 percent) from \$16.9 million available the year before last (2001-02). The projections of available unrestricted fund revenues for the four outer years (2003-04 through 2006-07) have been reduced based on current economic forecasts. Following are the assumptions used to forecast the amount of unrestricted funds available for projects in the 2003-08 CIP:

Capital Improvement Reserve

For Year 1 (2003-04):

• Ending CIP Reserve balance (June 30, 2003)	\$5,250,000
• Estimated carryover to CIP Reserve	-0-
• Refund from closing completed/nonactive projects	<u>700,000</u>
TOTAL	\$5,950,000

For Years 2, 3, 4 and 5 (2003-04):

- Assumes no General Fund carryover to the CIP Reserve Fund
- Assumes \$200,000 available from closed projects per year

Construction Conveyance Tax

For Year 1 (2003-04):

- Ending Construction Conveyance Tax balance (June 30, 2003) \$3,000,000
- TOTAL \$3,000,000

For Year 2 (2004-05):

- Estimated 2004-05 Construction Conveyance Tax revenue projection is approximately \$2,300,000.

For Year 3 (2005-06):

- Estimated 2005-06 Construction Conveyance Tax revenue projection is approximately \$2,200,000.

For Year 4 (2006-07):

- Estimated 2006-07 Construction Conveyance Tax revenue projection is approximately \$2,200,000.

For Year 5 (2007-08):

- Estimated 2007-08 Construction Conveyance Tax revenue projection is approximately \$1,600,000.

Attachment 1 shows the estimated CIP Reserve and Construction Conveyance Tax funding, expenditures and combined ending balances for each year in the 2003-08 CIP. The blue columns represent the beginning unrestricted fund balances in each year, the red columns represent planned project expenditures, and the yellow columns represent the ending fund balances for each year. The horizontal blue line indicates the \$5 million CIP Reserve policy level. As shown, the CIP Reserve of \$5 million is maintained in each of the five years, resulting in a balanced program.

The Capital Improvement Reserve and Construction Conveyance Tax revenues forecast for each year must be achieved to fully fund the five-year CIP. Staff will evaluate the

revenue assumptions in subsequent years and propose revisions to the plan as needed.

CIP Program

The five-year 2003-08 CIP is summarized in the Appendix 1 spreadsheet which lists all projects, cost estimates and funding sources. The planned projects include utility, other infrastructure and transportation projects, parks/recreation projects and building projects. The projects in the adopted plan meet the City criteria for selecting capital projects (Attachment 2). These criteria include:

- Health and safety requirements or legal mandates.
- Preservation of existing assets.

- City Council priorities and/or neighborhood interest.
- Economic development/revitalization goals.

The 2003-08 CIP groups projects in three categories:

- Amendments (approved projects which require funding and/or scope adjustment).
- Infrastructure Maintenance and Other Projects (projects for recurring maintenance activities or special studies that can be generally accomplished within one year).
- Capital Improvement Projects (all capital projects, including those which are either longer than one year in duration or are not specifically maintenance-related).

Each year of the CIP includes annual infrastructure maintenance projects to fund ongoing infrastructure repair and replacement. The City of Mountain View places a high priority on preventive maintenance to preserve the City's investment in existing infrastructure and replacing infrastructure that has outlived its useful life. There are ongoing annual projects for streets, sidewalks, water mains, sewer mains and forestry maintenance, facilities and landfill postclosure maintenance systems. Of the \$70 million for projects in the proposed five-year plan, approximately 66 percent (\$46 million) is related to preserving/replacing existing facilities, infrastructure, equipment and technology.

Shoreline Community Projects

Beyond annual landfill and pavement maintenance projects, the proposed CIP includes several capital projects in the Shoreline Community over the five years in the plan. Future needs for the Shoreline Community beyond the five-year plan are discussed and listed in a separate section of the CIP. Following are brief descriptions of the Shoreline Community projects proposed next year:

- Fire Station No. 5, Construction—Project 05-27 (\$4,500,000)—The permanent Fire Station No. 5 will house the fire company currently operating in the temporary facility plus space that may be added for dormitories used by Police Officers on overnight stays and Public Services Division maintenance duty staff. Fire Station No. 5, Design, was funded in the 2002-03 CIP. As design has not commenced, construction funding is proposed for the second year (2004-05) of the CIP.

- Shoreline Maintenance Facility, Construction—Project 04-27 (\$4,500,000)—A previous study evaluated space requirements needed to replace the temporary trailers, storage containers and equipment storage areas with a permanent facility. Design of an approximately 10,000 square foot building to house maintenance staff, Shoreline Golf Links maintenance staff, rangers and associated equipment was funded in the 2002-03 CIP. The potential to power the facility with landfill gas will also be explored during design. Construction funding is proposed in the first year (2003-04) of the CIP. Additional information regarding the Shoreline Maintenance Facility is included in Appendix 5.
- Golf Car/Pro Shop Facility, Design and Construction—Project 03-30 (\$3,400,000)—Shoreline Golf Links must replace its fleet of 78 gasoline-powered golf carts soon with new electric golf carts to comply with State air-quality regulations. A facility to store and charge the electric carts is needed. Also, additional space for staff, the pro shop and rest rooms are desirable to accommodate increasing public use of the Golf Links. Because this facility is built within the landfill boundary, ventilation to mitigate potential landfill gas migration to the structure will also be provided. Last year, the City Council considered several options to accommodate these needs and approved a program to renovate and add to the existing facility estimated to cost \$3.4 million rather than construct a completely new facility. The City Council also approved the first funding increment of \$2.4 million from the Shoreline Community Fund in the 2002-03 CIP and a placeholder of \$1.0 million for the remaining funding in the second year (2003-04) of the 2002-07 CIP. In November 2002, the City Council approved a conceptual design for renovation. The next step is to retain an architect to prepare the final design and construction drawings. The proposed 2003-04 CIP includes the outstanding \$1.0 million to fully fund this project. Additional information regarding the Golf Car/Pro Shop Facility is included in Appendix 6.
- Shoreline Sailing Lake Water Supply Alternatives, Design, Environmental, Permitting—Project 04-18 (\$500,000)—A recent study evaluated the water quality and hydrological conditions of the sailing lake, Charleston Slough and Permanente Creek-Mountain View Slough system. The study concluded that the Inner Charleston Slough is rapidly converting into a tidal marsh, may not be able to supply water to the lake in the near future, and proposed several possible solutions to maintain water supply and quality in the sailing lake. Given the urgency to find a sustainable water source for the lake, staff is proposing a project in 2003-04 to conduct technical analyses of the alternatives, select and design the most feasible alternative, and obtain required environmental clearance and

regulatory permits. Additional information regarding the Shoreline Sailing Lake Water Management Project is included in Appendix 3.

- Shoreline Infrastructure Maintenance—Project 04-17 (\$100,000)—This project will provide funding for infrastructure repairs within the Shoreline at Mountain View Park area. This is independent of the landfill maintenance CIPs and is intended to provide funding as needed for significant repairs to the water, sewer and storm drain systems and related facilities, including the Shoreline Sailing Lake. The proposed funding for this new annual CIP is \$100,000 from the Shoreline Community Fund.
- Shoreline Community, Reclaimed Water Feasibility Study—Project 04-19 (\$200,000)—This feasibility study will identify areas of the City that may be cost-effective to supply recycled water, determine the size of reclaimed water supply pipelines and identify funding scenarios and phasing strategies to expand reclaimed water use. The focus of the study is the North Bayshore Area because this area is already served by reclaimed water from the Palo Alto sewage treatment plant and has the highest concentration of large, commercial-landscaped areas, ideal for reclaimed water use. Additional information regarding this project is included in Appendix 4.
- Shoreline Boulevard Reconstruction, Gatehouse to Golf Course Parking Entrance—Project 04-38 (\$2,000,000)—This project includes the reconstruction of Shoreline Boulevard from the Gatehouse to the Shoreline Golf Links parking lot entrance. The project includes reconstruction of the roadway, drainage system, portions of the bicycle/pedestrian pathway and replacement of a portion of the water main. This section of Shoreline Boulevard, approximately 3,600' long, was constructed over buried refuse. The refuse settles, often unevenly, as it decomposes, causing the roadway and drainage system to fail, resulting in ponded water and poor driving conditions. Beyond the impact to drivers and pedestrians, the State's landfill regulations prohibit ponded water over refuse, so repair of this settlement is required to comply with regulatory requirements (see Appendix 12).

A previous project, completed in 2000, reconstructed the roadway from the entrance of the Shoreline Golf Links parking lot entrance to Permanente Creek. This proposed project will complete work on the affected portion of Shoreline Boulevard.

Water System Projects

Progress on the important Miramonte Reservoir and Graham Reservoir projects remains a priority, and it is anticipated agreements and environmental documents will be finalized to allow both projects to advance more rapidly next fiscal year. Funding of \$13.9 million (which includes \$4.3 million of previously approved funding) from the Water Fund is in the five-year CIP for water storage projects, including:

- The environmental review for the Miramonte Reservoir expansion project is in progress, and the draft EIR was released to the public in May 2002. Project design will begin after EIR approval with construction to begin about one year later in the fall of 2004. A project status report is included in Appendix 2.
- Construction of a buried 4-million gallon water storage reservoir at Graham Middle School at an estimated project cost of about \$8 million is included in Year 2 (2004-05) of the proposed CIP. Funding for this project will come from the Water Fund and proceeds from a revenue bond. City staff is working on an agreement with the Mountain View-Whisman School District to use the site for the reservoir. Once the agreement is approved, an Environmental Impact Report for the project will be prepared. Project design is scheduled to begin in 2003-04, after completion of the EIR. A status report on this project is included in Appendix 2.

Other Major Projects

- Stevens Creek Trail Overcrossing at Moffett Boulevard/State Route 85 Construction—Project 04-33 (\$2,500,000)—A previous study completed in February 2002 evaluated options for a pedestrian/bicycle overcrossing at the Moffett Boulevard and the State Route 85 off-ramp to separate Stevens Creek Trail users from automobile traffic at the current at-grade crossing. The study identified environmental and outside agency issues and developed project cost estimates. Project design is funded in the 2002-03 CIP. Construction is proposed in the first year (2003-04) of the CIP, fully funded from Shoreline Community Fund. Additional information regarding this project is included in Appendix 10.
- Permanente Creek Pedestrian/Bike Overcrossing Highway 101, Feasibility Study—Project 04-21 (\$150,000)—This project is proposed in Year 1 (2003-04) of the CIP to investigate the feasibility of building a pedestrian/bicycle crossing along Permanente Creek where it crosses Highway 101.

- Centennial Plaza—Project 00-49 (approximately \$350,000 balance)—Although the Centennial Plaza and train station were dedicated last year, two outstanding elements require policy direction. Project funding remains to complete the train station interior to accommodate a use to be selected by the City Council. Funding is also set aside to purchase an art piece for the Plaza when the City Council finalizes a selection. Appendix 11 contains more information about incomplete elements of the project.

Traffic Projects

- Middlefield Road/Easy Street Traffic Signal—Project 04-26 (\$150,000)—Over the past few years, traffic signal needs studies identified three intersections that meet the State criteria for a traffic signal. They are listed below in priority order:
 - Middlefield Road at Easy Street
 - Middlefield Road at Logue Avenue
 - Miramonte Avenue at Barbara Avenue

The Middlefield Road at Easy Street traffic signal is proposed for Year 1 (2003-04) of the CIP, while the Miramonte Avenue at Barbara Avenue and Middlefield Road at Logue Avenue traffic signals are proposed for Year 2 (2004-05) and Year 3 (2005-06) of the CIP, respectively. The project cost for each of these traffic signals is estimated to be about \$150,000 in 2003 dollars. Additional information regarding these projects is included in Appendix 8.

- Safe Routes to School—Project 04-36 (\$275,000)—Subject to receiving a State Safe Route to School Grant, this project will install countdown pedestrian signals at intersections near schools throughout the City and install radar speed warning signs on streets located around schools. This project will cost approximately \$275,000 of which \$240,000 will be reimbursed by the State through a Safe Route to School Grant.

CONCLUSION

Despite the constraints in discretionary spending, the proposed CIP is balanced over the five years based on current revenue projections. Future economic conditions will determine if strategies to fully fund annual infrastructure maintenance must be reconsidered in the outer years of the plan.

Staff will review the City Council's comments about priorities, phasing and strategies raised at the April 29 study session and revise the proposed CIP as necessary prior to formal adoption in May 2002. Final decisions regarding the funding of the first year of the proposed plan will be in June, in conjunction with the adoption of the

2003-04 Operating Budget. Funding for projects in subsequent years will be considered in future budgets. Specific recommended actions for the May CIP adoption will be the following:

- Approval of the 2004-08 Capital Improvement Program.
- Approval of amendments to existing projects.

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TK/MAF/8/PWK
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- Attachments:
1. Estimated CIP Reserve and Construction Conveyance Tax Funding, Expenditures and Ending Balances for Each Year in the Proposed 2003-08 CIP
 2. City Criteria for Selecting Capital Projects